



Testimony in Support of SB 271

Good afternoon Mr. Chairman and members of the Committee. Thank you for allowing me to speak today.

My name is Scott Ellis, Executive Director of the Michigan Licensed Beverage Association and I'm here in support of SB 271.

The intent of this bill is to allow establishments to sell "packages" for special functions such as weddings, fundraisers, etc.

To provide some background on why we support SB 271, the MLCC Enforcement Division received a complaint that a licensee was pricing wedding packages for a set price per hour for alcohol. Currently, establishments can only quote and charge ahead for food while itemizing the sales of alcohol after. During the course of their investigation, Enforcement realized all of the private room establishments in the area were using this pricing method and were unaware this was against MLCC rules.

Shortly after that investigation, licensees in Petoskey and Traverse City heard about the rule and the MLCC quickly realized licensees with private hospitality rooms all over the state were using this package method and were also not aware of the rule.

After hearing from members, I began working with Sen. Wayne Schmidt and the MLCC to draft a bill to place the rule language into statute and provide some criteria for these establishments to be able to continue to use their package pricing.

The proposed legislation would change the regulations to allow on-premises licensees that have separate meeting rooms, banquet rooms or outdoor service areas that are clearly marked and well defined to be able to charge by the hour per person for alcohol. This would only apply to private functions that are not open to the general public.

The licensee would be required to have a signed agreement between the host and the establishment and make it available to Liquor Control and law enforcement upon request. In order to meet the definition of "Private Function," the event must be prearranged, by invitation or reservation only; not open to the general public; and guests must be served in a service area or room that is well defined, clearly marked and is being used exclusively for the event. Licensees are still required to serve responsibly and make sure that intoxicated persons and minors are not served.

I'd like to thank you, Mr. Chairman and Committee members, for taking the time to listen to us today.

Sincerely,

Scott Ellis
Executive Director
Michigan Licensed Beverage Association